

STATE PROPERTIES COMMITTEE

Tuesday, September 13, 2005

The meeting of the State Properties Committee was called to order at 10:10 A.M. by Chairman Jerome F. Williams. Other members present were Genevieve Allaire Johnson, Esquire, representing the Department of Attorney General and Mr. Robert Griffith, representing the Department of Administration. Also present were Ms. Grace Smith, from the Department of Transportation; Mr. Robert Christie, from the Department of Labor and Training; and, Misses Lisa Primiano, Kathy Zaroogian, Mary Kay, Esquire, and Mr. Robert Sutton and Carl Lisa, Jr., Esquire, from the Department of Environmental Management.

The minutes of the meeting held on August 30, 2005 were approved.

1. OLD BUSINESS

2. NEW BUSINESS – Miscellaneous – The next meeting of the State Properties Committee is scheduled to be held on Tuesday, September 20, 2005.

ITEM A – OFFICE OF HIGHER EDUCATION - UNIVERSITY OF RHODE ISLAND - A request was made by the Office of Higher Education for approval and signatures on an Agreement and a Building Lease/Purchase Agreement with Chi Phi Holding Corporation of Rhode Island, Inc. regarding property located at 11 Fraternity Circle and 61 Upper College Road, Kingston.

At the request of the Office of Higher Education, this matter was deferred to September 20, 2005.

ITEM B – DEPARTMENT OF LABOR AND TRAINING – A request was

made by the Department for approval of the use of the Department's office parking lot on Pond Street, Woonsocket by the Rotary Club of Woonsocket on October 7, 8, 9, 10 and 11, 2005.

This License Agreement will allow The Rotary Club of Woonsocket the use of the parking area at the Woonsocket Office of the Department of Labor and Training located at 217-219 Pond Street, for the parking of vehicles for rotary volunteers who work at the Autumnfest which will be held over the Columbus Day Weekend. The License Agreement is for the use of the parking area the evening of October 7 through October 11, 2005.

A motion was made by Ms. Allaire Johnson and seconded by Mr. Griffith to approve the request of the Department for approval of the use of the Department's office parking lot on Pond Street, Woonsocket by the Rotary Club of Woonsocket the evening of October 7 through October 11, 2005.

Passed Unanimously

ITEM C – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on a Quit-Claim Deed conveying four acres of land on Cedar Lane, Jamestown, to the Town of Jamestown.

At the request of the Department, this matter was deferred to September 20, 2005.

ITEM D – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on a License Agreement with Charles Steven Properties LLC for land on Atwood Avenue in Cranston.

This is a renewal of a License Agreement with Charles Steven Properties, LLC, operating as Atlantic Auto. This is for use of 2000 square feet of property located at Atwood Avenue, Cranston, for vehicle parking. The License Agreement is for a period of five years commencing September 1, 2005 to August 31, 2010. Rent is at the rate of \$135.00 per month. The Department has the right to recalculate the rent at the end of the third year of the agreement. The Chair, Mr. Williams noted it might be a good idea to include CPI indicators with the Licenses. This will be mentioned to the Department.

A motion was made by Mr. Griffith and seconded by Ms. Allaire Johnson to approve the request of the Department for approval and signatures on a License Agreement with Charles Steven Properties LLC for land on Atwood Avenue in Cranston.

Passed Unanimously

ITEM E – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval of an Option to Renew in connection with Alan Robertson, d/b/a Galilee Grocery's land lease for lot 96 in the Port of Galilee, Narragansett.

Alan Robertson, d/b/a Galilee Grocery has notified the Department of its intent to exercise the option to renew the Indenture of Lease dated September 30, 2005. The term of the lease expires September 30, 2005. This option will renew the lease for a five year period commencing October 1, 2005 and terminating September 30, 2010. The amount of the rent for the new option period will be determined by a new appraisal, which is in the process of being conducted.

The Department is in the process of having all of the lots in Galilee appraised. The Department has completed the first segment of lots and has gone out to bid for the second segment. A different appraiser had been assigned and there have been a lot of inconsistencies between the first and second groups appraised. The Department is going forward with the next group and is looking to determine a way to reconcile this and appear before the Committee to present a detailed recommendation on how the Department would like to move forward on adjusting the rental rates in the Port of Galilee. At this point, because of the differences in the appraisals and a restructuring in the Department, the Department is not starting to change rates that would be in an inconsistent manner.

A discussion took place regarding the appraisal process. The Department stated there are a lot of discrepancies between the two appraisals. In some cases the rentals would double and there would be a big impact on some of the businesses in the Port of Galilee. The Department suggested it should meet internally and subsequently, meet with staff from the Department of Administration for some guidance.

The Chair, Mr. Williams indicated his concern about those businesses that have been waiting for the appraisals. If the rates are going to increase by half or double, it will be a significant impact on those businesses, and if they had been aware of the increases the business could have gradually increased their own rates. The Department also has plans to hire a Port Manager who will manage the Port and accumulate the necessary information. Mr. Griffith suggested an

Executive Session regarding the appraisal amounts. A discussion took place. The Department will advise the Executive Secretary when the Department would be ready for an Executive Session. The Department will talk to the Division of Purchases regarding the ability to hire the same appraiser the Department has now do the next segment.

A Certificate of Insurance is forthcoming.

A motion was made by Mr. Griffith and seconded by Ms. Allaire Johnson to approve the request of the Department for approval of Option to Renew in connection with Alan Robertson, d/b/a Galilee Grocery's land lease for lot 96 in the Port of Galilee, Narragansett. Approval was granted subject to receipt of the Certificate of Insurance.

Passed Unanimously

ITEM F – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval of Option to Renew in connection with Dave Handrigan Seafoods, Inc.'s land lease for lots 210 and 212 in the Port of Galilee, Narragansett.

Dave Handrigan Seafoods, Inc. has notified the Department of its intent to renew the Indenture of Lease dated June 19, 1985. The term of the lease expired May 31, 2005. This option will renew the lease for a five year period commencing June 1, 2005 and terminating May 31, 2010. The current lease payment is \$12,786.00. The amount of the rent for the new option period will be determined by a new appraisal, which is in the process of being conducted.

A motion was made by Mr. Griffith and seconded by Ms. Allaire

Johnson to approve the request of the Department for approval of Option to Renew in connection with Dave Handrigan Seafoods, Inc.'s land lease for lots 210 and 212 in the Port of Galilee, Narragansett. Approval was granted subject to receipt of the Certificate of Insurance.

Passed Unanimously

ITEM G – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval of Option to Renew in connection with Rhode Island Engine Company, Inc.'s land lease for lot 227 in the Port of Galilee, Narragansett.

This is a renewal of the Indenture of Lease dated November 18, 1985. The current term expires September 30, 2005. The option will renew the lease for a five year period commencing October 1, 2005 and terminating September 30, 2010. The current lease payment is \$28,952.00. The amount of the annual rent for the new option period will be determined by a new appraisal of this parcel, which is in the process of being conducted.

Mr. Griffith opened discussion regarding property leased to Rhode Island Engine Company, Inc. on the other side of the road for storage.

The leases are not coterminous. That lease is also subject to an increase.

A motion was made by Ms. Allaire Johnson and seconded by Mr. Griffith to approve the request of the Department for approval of Option to Renew in connection with Rhode Island Engine Company, Inc.'s land lease for lot 227 in the Port of Galilee, Narragansett. Approval was granted subject to receipt of the Certificate of

Insurance.

Passed Unanimously

ITEM H – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on an Agreement and Assignment with the Town of North Kingstown for an assignment of development rights to land in North Kingstown.

This is a local project. The Natural Heritage Committee selected local grants in North Kingstown. This is for an assignment of the development rights to 70 acres of land on Gilbert Stuart Road in North Kingstown. The property which is known as the Viall property is located within the Pettaquamscutt River Watershed which is part of the Narrow River Special Management Area. The Department has awarded the Town of North Kingstown an open space grant in the amount of \$300,000.00. The appraised value is \$855,000.00 for the development rights to the property. The Town negotiated a purchase price of \$300,000.00 for the development rights and the owner is donating the remaining value. The Town and the Department will be holding the development rights.

A motion was made by Mr. Griffith and seconded by Ms. Allaire Johnson to approve the request of the Department for approval and signatures on an Agreement and Assignment with the Town of North Kingstown for an assignment of development rights to land in North Kingstown.

Passed Unanimously

ITEM I – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on

a Purchase and Sale Contract with Northern Green Holdings, LLC and the Agricultural Land Preservation Commission for the acquisition of development rights over land on Old Pound Hill Road, North Smithfield.

This is for the purchase of development rights of 80 acres of land from the Doris Green Estate. Doris Green died in the early part of this year. Prior to her death she had submitted an application to the Agricultural Land Preservation Commission for the purchase of development rights. The Executor of the Estate and her family wanted to continue with her wishes. Wrights Dairy Farm is in the immediate area. They have always farmed the land that is available on this property. When the property became available, the Department worked directly with Wrights Dairy Farm and they will be purchasing the fee title of the entire Doris Green farm, and at the same time and at the same closing, the Department will be purchasing the development rights to that property. The purchase price for the development rights is \$551,125.00. The Nature Conservancy is contributing \$251,125.00 and the Agricultural Land Preservation Commission is providing \$300,000.00.

Ms. Allaire Johnson opened discussion regarding the State's acquisition of development rights and inquired what Wrights Farm would be doing with the property. The Department stated they will continue to use the hay field and create some new fields and create soil and grow hay. There will be some clearing and have it returned to agriculture. Ms. Allaire Johnson stated her concern about someone profiting, while the State was paying for the development

rights. Discussion ensued. The Department estimated that about 95% of the land that the Department has acquired under the development rights program for the protection rights remains in agriculture. It cannot be developed because the State owns the development rights, but it is remained in agricultural production.

A motion was made by Mr.Griffith and seconded by Ms. Allaire Johnson to approve the request of the Department for approval and signatures on a Purchase and Sale Contract with Northern Green Holdings, LLC and the Agricultural Land Preservation Commission for the acquisition of development rights over land on Old Pound Hill Road, North Smithfield.

Passed Unanimously

ITEM J – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on a Deed of transfer and land swap with Social Street Realty, LLC for land located on and adjacent to World War II State Park in Woonsocket.

A correction was made in the memo that had been submitted regarding Parcels A, B and C. The memo stated:

Parcel A – 1209 square feet – transferred from private owner to the Department with a value of \$7500.00. Parcel B – 4231 square feet transferred from private owner to the Department - \$0 value* Parcel C – 1088 square feet transferred from the Department to private owner: Value \$7500.00. *The Department of Environmental Management holds a permanent public access easement on Parcel B and it was determined that this gives the parcel no real value to the

owner. The land swap does not require the use of any cash funds from either party.

A map was presented indicating the areas in question. The amount that has an easement on it is 3,022 square feet. The new amount that the Department will be swapping is 1,209 square feet. The 1,088 square feet being transferred from the Department to the private owner did not change.

This land swap will provide the Department full ownership of land and that will allow the Department to design and build a more inviting pedestrian park entrance. The private owner requested this proposal because it will allow him the room to demolish the existing building and construct a Dunkin Donuts on the site.

A motion was made by Ms. Allaire Johnson and seconded by Mr. Griffith to approve the request of the Department for approval and signatures on a Deed of transfer and land swap with Social Street Realty, LLC for land located on and adjacent to World War II State Park in Woonsocket.

Passed Unanimously

ITEM K – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for conceptual approval to negotiate, complete appraisals, survey and title for acquisition of property in Coventry from St. Germain Enterprises, Inc.

This property is located adjacent to the old rail line property owned by the Department and the location of the “Trestle Trail” Bikeway Project. This property contains of 2 acres and a building consisting of 1,700 square feet. The Department is in the final stages of design

of the Trestle Trail Bikeway. The Bikeway will be managed by the Department's Division of Parks and Recreation. The management of a bikeway requires a maintenance building. The Department has been looking for a building location. The building on the property abuts the railway and actually, a corner of the building and the parking lot are in the right - of - way of the railway. This building will allow the Department to park maintenance vehicles, have a small visitor's center and allows an excellent location for public restrooms. There is a tentative agreement with the owner to purchase the property in the amount of \$390,000.00. Additionally, a 1500 access easement would be needed by the Department at an additional cost of \$5,000.00.

A motion was made by Mr. Griffith and seconded by Ms. Allaire Johnson to approve the request of the Department for conceptual approval to negotiate, complete appraisals, survey and title for acquisition of property in Coventry from St. Germain Enterprises, Inc.

Passed Unanimously

ITEM L – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on a Deed to Development Rights for the acquisition of development rights over property in Providence to be acquired by The Southside Community Land Trust.

This property consists of 4,095 square feet of land on Potters Avenue in Providence. The Purchase and Sales Contract was approved and signed at the State Properties Committee meeting held on August 17, 2005. Total purchase price is \$39,000.00. The Department will

reimburse the Southside Community Land Trust for title and survey costs in the amount of \$3,700.00. Funding is from the State bond funds. The Deed to Development Rights will be held on the Agricultural Land Preservation Commission.

A motion was made by Mr. Griffith and seconded by Ms. Allaire Johnson to approve the request of the Department for approval and signatures on a Deed to Development Rights for the acquisition of development rights over property in Providence to be acquired by The Southside Community Land Trust.

Passed Unanimously

ITEM M – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on a Deed to Development Rights for the acquisition of development rights over land in Portsmouth owned by the Estate of Mary R. Escobar.

This property consists of 75 acres of land and is located on Middle Road, within the Aquidneck Land Trust's Center Island Greenway. This is one of the primary farms on Aquidneck Island. The property has been farmed for over 60 years. The Escobar Farm is part of the Rhody Fresh cooperative, which is marketing RI Milk. The US Department of Agriculture's Farm and Ranch Lands Protection Program is contributing \$1,311,672.00, the Agricultural Land Preservation Commission's State Farmland Bond funds will contribute \$688,328.00, The Nature Conservancy through The Champlin Foundations is contribution \$250,000.00 and the Town of Portsmouth is contributing \$750,000.00.

Ms. Allaire Johnson discussed the acquisition of development rights. The Department has looked at incorporating language in the Deeds to Development Rights to the effect that if the land is not being continued to be farmed, the State could pursue some option to lease it to someone for farming purposes. Mr. Griffith concurred with Ms. Allaire Johnson that the State would have the ability to lease if the property goes out of active farming. The Department will discuss that further. The State will be the co-holder in the development rights. The Escobars will continue to operate the farm.

A motion was made by Mr. Griffith and seconded by Ms. Allaire Johnson to approve the request of the Department for approval and signatures on a Deed to Development Rights for the acquisition of development rights over land in Portsmouth owned by the Estate of Mary R. Escobar. Inherent in the motion is that the Department will determine if it is agreeable to modify some language relative to the use of the property.

Passed Unanimously

ITEM N – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on a Deed to Development Rights for the acquisition of development rights over land in Scituate owned by Brian and Lauralynn Knight.

At the request of the Department, this matter was deferred to September 20, 2005.

ITEM O – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT - A request was made by the Department for approval and signatures on a Deed to Development Rights for the acquisition of development

rights from Tower Hill Equestrian Center over land in North Kingstown.

This is for development rights of 55 acres of land from the Tower Hill Equestrian Center in North Kingstown. This Deed to Development Rights is between Tower Hill Equestrian Center Associates, LLC, the Town of North Kingstown, the Rhode Island Agricultural Land Preservation Commission and The Land Conservancy of North Kingstown. Cost of the acquisition is \$690,000.00. Funding will come from the US Department of Agriculture's Farm and Ranch Lands Protection Program in the amount of \$250,000.00, the Agricultural Land Preservation Commission's State Farmland Bond funds in the amount of \$250,000.00, and the Town of North Kingstown in the amount of \$290,000.00. This is actively used as an Equestrian Center and will continue to do so. The development rights will be held by the Town of North Kingstown, the Agricultural Land Preservation Commission and the Land Conservancy of North Kingstown.

A motion was made by Mr. Griffith and seconded by Ms. Allaire Johnson to approve the request of the Department for approval and signatures on a Deed to Development Rights for the acquisition of development rights from Tower Hill Equestrian Center over land in North Kingstown.

Passed Unanimously

ITEM P – DEPARTMENT OF ADMINISTRATION/DIVISION OF MOTOR VEHICLES – A request was made by the Department for final approval and signatures on Lease Agreement with Independence Park Property Group, L.L.C. for new Division of Motor Vehicles

Headquarters space at 1776 Independence Parkway, Cranston.

At the request of the Department, this matter was deferred to September 20, 2005.

The Chair, Mr. Williams discussed the Executive Session portion of the State Properties Committee meeting of September 8, 2005. A question had arisen regarding sealing the minutes of that Executive Session. Ms Allaire Johnson researched the legality of the Committee sealing the minutes. The Committee does have the ability of sealing closed session minutes by a majority vote. The Chair stated any time there is litigation discussed he would prefer to do that until such time as the litigation is concluded.

The Chair asked for a motion to seal the minutes (based on pending litigation) from the September 8, 2005 Executive Session until such time the Committee releases them.

A motion was made by Mr. Griffith and seconded by Ms. Allaire Johnson to seal the minutes from the September 8, 2005 Executive Session until such time the Committee releases them.

A roll call vote was taken. Mr. Griffith voted "Aye", Ms. Allaire Johnson voted "Aye" and the Chairman, Jerome Williams voted "Aye".

Passed Unanimously

At such time when the litigation is concluded, the Committee will release those minutes.

All matters that came before the meeting were approved.

There being no further business to come before the Committee, the

meeting adjourned at 11:30 A.M.

Anne L. Lanni, Executive Secretary